

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

0097  
CAUSE NO. FSD OF 2015 ( )

IN THE MATTER OF CHINA JIUHAO HEALTH INDUSTRY CORPORATION LIMITED  
中國 9 號健康產業有限公司

AND in the matter of the Companies Law (Revised)

AND the Grand Court Rules 1995 Order 102

PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of CHINA JIUHAO HEALTH INDUSTRY CORPORATION LIMITED shows  
as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (Revised) (the "Companies Law") confirming a reduction of the share capital of the Petitioner, China Jiuha Health Industry Corporation Limited 中國 9 號健康產業有限公司 (the "Company").
2. The Company was incorporated on 27 May 2002 under the Companies Law as an exempted company with registration number CR-117901. The Company was incorporated under the name "Universal Holdings Limited", and changed its name to (i) UH Limited on 20 June 2002, (ii) to UNIVERSAL HOLDINGS LIMITED (友利控股有限公司) on 20 June 2002, (iii) to Asian Union New Media (Group) Limited on 4 July 2006, (iv) to Media China Corporation Limited (華億傳媒有限公司) on 20 October 2008, and (v) to its current name on 28 February 2013.
3. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 26812, Grand Cayman KY1-1111, Cayman Islands.

4. At the date of incorporation of the Company, its authorised share capital was HK\$100,000 divided into 10,000,000 ordinary shares with a nominal or par value of HK\$0.01 each (the "Shares").
5. By way of resolutions of the shareholders of the Company passed on 4 June 2012, the authorised share capital of the Company was increased from HK\$100,000 divided into 10,000,000 Shares of HK\$0.01 each to HK\$3,002,407,600 divided into 30,000,000,000 ordinary shares of a nominal or par value of HK\$0.1 each and 240,760,000 preference shares of a nominal or par value of HK\$0.01 each ("Preference Shares").
6. By way of resolutions of the shareholders of the Company passed on 23 August 2012, every two (2) of the issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company was consolidated into one (1) ordinary share of HK\$0.20 each, such that following the consolidation, the authorised share capital of the Company was HK\$3,002,407,600 divided into 15,000,000,000 ordinary shares of a nominal or par value of HK\$0.1 each ("Ordinary Shares") and 240,760,000 Preference Shares.
7. As at the date of this petition, the authorised share capital of the Company is HK\$3,002,407,600 divided into 15,000,000,000 Ordinary Shares and 240,760,000 Preference Shares and its issued share capital is HK\$1,325,980,802.2 divided into 6,629,904,011 Ordinary Shares, each of which have been issued fully paid-up or credited as fully paid-up. No Preference Shares are in issue as at the date of this petition.
8. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 8 July 1987 under stock code number 00419. Over the years, the Company has allotted and issued various tranches of Ordinary

Shares [and Preference Shares]. As at the date of this petition, only Ordinary Shares are in issue.

9. The objects for which the Company was established are as follows:

“3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:

(a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;

(b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers

conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (Revised).
  5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed."
10. The Articles of Association of the Company provide, *inter alia*, as follows:
- "6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law."
11. By a special resolution of the Company in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 16 July 2015 (the "Special Resolution"), it was resolved that:
- "(a) the issued and paid-up ordinary share capital of the Company be reduced ("Capital Reduction") by cancelling the paid-up capital to the extent of HK\$0.18 on each existing ordinary share of HK\$0.20 of the Company (the "Existing Share") in issue so that each issued Existing Share with a par value of HK\$0.20 of the Company be treated as one fully paid-up ordinary share with a par value of HK\$0.02 (the "New Shares") in the share capital of the

Company and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company, and the entire amount of the authorised but unissued ordinary share capital of the Company be cancelled;

- (b) the credits arising from the Capital Reduction shall be applied to set off the accumulated losses of the Company as at the effective date (if any) and the balance (if any) will be transferred to the distributable reserve account of the Company which may be utilised by the Directors as a distributable reserve and in such manner as the Directors consider appropriate, in accordance with the articles of association of the Company, the order of the Court sanctioning the Capital Reduction and all applicable laws and rules (including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time and/or paying dividends or making any other distribution out of such account from time to time and all actions in relation thereto be approved, ratified and confirmed;
- (c) an increase in the authorised ordinary share capital of the Company from approximately HK\$132,548,080.22 following the Capital Reduction to HK\$3,000,000,000 by the creation of the appropriate number of additional unissued New Shares (being 143,372,595,989 unissued New Shares) (together with the Capital Reduction, the "Capital Reorganisation");
- (d) all of the New Shares resulting from the Capital Reorganisation shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the Company's memorandum and articles of association; and

- (e) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Capital Reorganisation and of administrative nature, on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Capital Reorganisation.”
12. The special resolution to approve and give effect to the Capital Reduction was duly passed at an extraordinary general meeting, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Law.
13. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital of the Company to its sole shareholder. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company.
14. The form of Minute proposed to be registered is as follows:

*“The issued ordinary share capital of CHINA JIUHAO HEALTH INDUSTRY CORPORATION LIMITED 中國9號健康產業有限公司 (the “Company”) was by virtue of a Special Resolution passed on 15 June 2015 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [Date] 2015, reduced from HK\$0.20 per each issued ordinary share to HK\$0.02 per each issued ordinary share (the “Capital Reduction”). Upon the Capital Reduction becoming effective and immediately following the cancellation of the unissued ordinary shares, the authorised share capital of the Company be subsequently increased to HK\$3,002,407,600 divided into 150,000,000,000 new ordinary shares of a nominal value of HK\$0.02 each and 240,760,000 preferred shares of a nominal value of HK\$0.01 each, by the creation of 143,372,095,989 new ordinary shares of a nominal value of HK\$0.02 each. At the date of the registration of this Minute, the*


*authorised share capital of the Company is HK\$3,002,407,600 divided into (i) 150,000,000,000 new ordinary shares of a nominal value of HK\$0.02 each, and (ii) 240,760,000 preferred shares of a nominal value of HK\$0.01 each."*

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 11 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on CHINA JUHAO HEALTH INDUSTRY CORPORATION LIMITED, at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 26812, Grand Cayman KY1-1111, Cayman Islands.

Dated this 17<sup>th</sup> day of June 2015



Conyers Dill & Pearman  
Attorneys at Law for the Petitioner

Notice of Hearing

This Petition having been presented to the Court on the \_\_\_\_\_ day of June 2015 will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_ day of \_\_\_\_\_ 2015 at \_\_\_\_\_ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands